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<http://www.casc.noaa.gov/bankcard/bankcard.html>

Mandatory 508 Training

After **April 1, 2005**, micro-purchases under \$2500 of electronic and information technology (EIT) must comply with Section 508 EIT requirements. For information and training, go to www.section508.gov.

Department of Commerce (DOC) policy will be updated in the Commerce Acquisition Manual (CAM) Purchase Card Procedures to include a requirement for mandatory training of all purchase cardholders and approving officials. *The 508 Universe training is located on the section508 web site.* After completion of the 15-minute training course, click on My Account, View Transcript. A certificate will appear. Fill in name and date. On the 508 Universe screen, a message stating "You have completed 1 course will appear. Current course: Micro-purchases Section 508."

If you have questions or need assistance, you may contact the Agency Program Coordinator at your servicing acquisition management division.



SmartPay Newsletter

April 2005

VISA Quarterly Network Meeting

VISA hosted the second quarterly network meeting with GSA, SmartPay banks and Government agency representatives on March 9, 2005. Guest speaker, Danny Werfel from OMB spoke on the draft OMB Circular which focuses on the improved management of Government issued charge card programs.

VISA Government Relations Division once again provided the Government Agency Program Coordinators and SmartPay Banks the opportunity to discuss the final version of the OMB Circular on Government charge cards which was at that time available for public comment.

Several changes to the original draft will make managing the programs a little easier although there is still discussion on the value of requiring credit checks on purchase cardholders.

Mr. Werfel mentioned that the creditworthiness rules apply only to **new travel and purchase cardholders**. Still unclear is the term "new." Does this mean new to the agency or new to the Government? This is an unclear area that affects many Government employees who change agencies. He will get clarification.

Mr. Steve Johnson, Program Manager for DOD's Travel card program, explained how DOD has managed their program for the past few years. In 2002, the delinquencies on the Government travel card programs were so high that they triggered

congressional investigations. DOD reorganized their program, and as part of that reorganization started to require credit checks on all individually billed travel accounts. Their contract bank, Bank of America, was willing to assist them with this process due to the enormous losses they were experiencing. Since implementation, DOD has required the Fair Isaac Company (FICO) score as the deciding factor on whether to issue a restricted travel card. There is a box on the DOD application that is checked by the potential cardholder on whether they are willing to permit a credit check prior to card issuance.

Cardholders checking the box and receiving a rating score above 500 receive an unrestricted card, with higher single purchase limits, (SPL) 30 day and ATM cash capabilities. Those who choose not to receive a credit check receive a restricted card, not to exceed \$2,000., with lower SPL and ATM cash withdrawal capabilities.

Analysis of DOD 2000-2003 data found there is more likelihood of delinquencies in the low score categories. To overcome these problems, DOD is working with Bank of America to issue prepaid cards, expand split disbursements and aggressively pursue salary off-sets. When asked how many employees were denied credit cards, Steve answered that out of 90,000 only 1,300 were denied cards. Interestingly, even after implementation of the FICO scoring system, delinquencies at DOD remain high.

Bank of America is not charging DOD for this service. Although it is an option under the GSA SmartPay contract, no where does it state that the banks are obligated to provide this service for free. Danny Werfel believes that this should be a negotiable item when the annual task order is up for renewal.

Present travel and purchase cardholders would be grandfathered in. Danny Werfel commented that we should engage OPM to add FICO scores to employment requirements that can be used for the issuance of travel and purchase cards.

Steve was asked how difficult it was to get people to share their social security numbers and make them available for the credit checks. He stated that it was becoming more and more difficult in light of all of the identity theft taking place.

Danny will get back to us on how old the FICO score can be before it is considered too old.

Foreign service nationals and anyone else who does not have or refuses to give their social security number will receive restricted cards.

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